

BEFORE THE TENNESSEE REGULATORY AUTHORITY

NASHVILLE, TENNESSEE

September 23, 1999

IN THE MATTER OF:

**APPLICATION OF IDT CORPORATION
FOR APPROVAL OF *PRO FORMA*
ASSIGNMENT OF LICENSE**

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**DOCKET NO.
99-00164**

ORDER APPROVING TRANSFER OF AUTHORITY

This matter came before the Tennessee Regulatory Authority ("Authority") on the Application of IDT Corporation ("IDT") and IDT America, Corp. ("IDT America") (together, the "Applicants") request authority to transfer IDT's Certificate of Public Convenience and Necessity to resell interexchange service in Tennessee to its wholly owned subsidiary, IDT America pursuant to Tenn. Code Ann. § 65-4-113. The Directors of the Authority considered this matter at a regularly scheduled Authority Conference held on April 6, 1999.

From the Application and the record existing in this matter, the Authority has determined the following:

1. IDT is a publicly held corporation duly organized and existing under the laws of the State of Delaware, and is presently authorized to resell intrastate interexchange services in various states, including Tennessee. The authority for IDT to provide resold interexchange telecommunications services in Tennessee was granted by the Authority in Docket No. 96-00975.

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2. IDT America is a newly created corporation duly organized and existing under the laws of the State of New Jersey, and is a wholly owned subsidiary of IDT. IDT America is authorized by the Tennessee Secretary of State to conduct business in the State of Tennessee.

3. The transfer of IDT's Certificate of Public Convenience and Necessity to resell interexchange service in Tennessee to its wholly owned subsidiary, IDT America, is part of a *pro forma* internal corporate reorganization. Therefore, according to the Application, following the transfer, it is not anticipated that there will be any change in the ultimate ownership, control or management of IDT.

4. The Application states that IDT America will have the same personnel as IDT, and through the financial resources of IDT, has the financial, technical, and managerial resources to provide telecommunications service in the State of Tennessee. Further, IDT America will adopt in its tariff all of IDT's services at the same rates, terms, and conditions as currently available. Thus, according to the Applicants, the proposed transfer will be transparent to IDT's Tennessee customers and therefore should have no adverse impact.

I. CRITERIA FOR APPROVING TRANSFER

A transfer of authority to provide utility services cannot occur until the regulated public utility first obtains approval of such transfer by the Authority. The Directors of the Authority must approve the transfer pursuant to the requirements set forth under Tenn. Code Ann. § 65-4-113. This Section, in pertinent part, provides for the following:

- (a) **No public utility, as defined in § 65-4-101, shall transfer all or any part of its authority to provide utility services, derived from its certificate of public convenience and necessity issued by the authority, to any individual, partnership, corporation or other entity without first obtaining the approval of the authority.**

(b) Upon petition for approval of the transfer of authority to provide utility services, the authority shall take into consideration all relevant factors, including, but not limited to, the suitability, the financial responsibility, and capability of the proposed transferee to perform efficiently the utility services to be transferred and the benefit to the consuming public to be gained from the transfer. The authority shall approve the transfer after consideration of all relevant factors and upon finding that such transfer furthers the public interest.

(c) **Following approval of the transfer pursuant to this section, the transferee shall be granted full authority to provide the transferred services subject to the continuing regulation of the authority. The transferor shall no longer have any authority to provide the transferred services,** but shall retain authority to provide other services, if any are retained, which were not included in such transfer. (Emphasis supplied).

II. FINDINGS OF FACT AND CONCLUSIONS OF LAW

After consideration of the entire record in this matter, including the Application, the Directors find and conclude as follows:

1. That the Authority has jurisdiction over the subject matter of said Application pursuant to Tenn. Code Ann. § 65-4-113.

2. That the transfer of IDT's Certificate of Public Convenience and Necessity to resell interexchange service in Tennessee to its wholly owned subsidiary, IDT America, is part of a *pro forma* internal corporate reorganization.

3. That IDT America will have the same personnel as IDT, and through the financial resources of IDT, has the financial, technical, and managerial resources to provide telecommunications service in the State of Tennessee.

4. That IDT America will adopt in its tariff all of IDT's services at the same rates, terms, and conditions as currently available, which will aid in the proposed transfer being transparent to IDT's Tennessee customers.

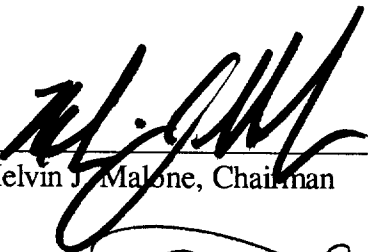
5. That based upon the above-described reorganization, the transfer of IDT's Certificate of Public Convenience and Necessity to IDT America is compatible with the public interest.

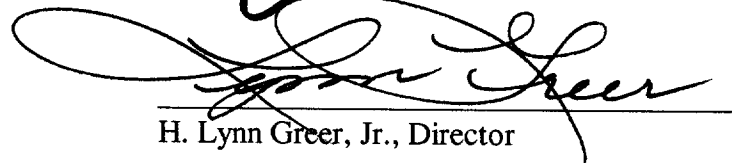
IT IS THEREFORE ORDERED THAT:

1. The Application requesting the transfer of the Certificate of Public Convenience and Necessity of IDT Corporation is approved.

2. IDT America, Corp. is authorized to provide resold intrastate interexchange telecommunications services in Tennessee, and IDT Corporation is no longer authorized to provide the same pursuant to the grant of authority in Docket No. 96-00975.

3. Any party aggrieved by the Authority's decision in this matter may file a Petition for Reconsideration with the Authority within ten (10) days from and after the date of this Order.

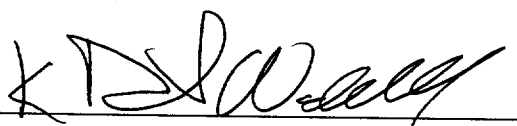


Melvin J. Malone, Chairman

H. Lynn Greer, Jr., Director

Sara Kyle, Director

ATTESTED:



K. David Waddell, Executive Secretary